

**Implementing Personal Reemployment Accounts:  
Early Experiences of the Seven Demonstration States**

**Summary and Implications**

**Background**

Personal Reemployment Accounts (PRAs) are a new approach to serving Unemployment Insurance (UI) claimants. Accounts are self-managed and up to \$3,000 may be used by individuals to purchase job training and supportive services and related products from either the marketplace or public One-Stop Career Centers. PRAs are intended to provide greater customer choice and control, direct access to training and other services to support a rapid return to work, and promote job retention. PRAs are specifically targeted to UI recipients who are likely to exhaust their benefits. A recipient can choose how and when to spend funds from his/her account to purchase reemployment services. A recipient may also elect to receive the funds as a bonus for reentering the workforce within 13 weeks and retaining a job for 6 months. In 2004, ETA selected seven states (Florida, Idaho, Minnesota, Mississippi, Montana, Texas, and West Virginia) to serve as PRA demonstration sites.

**Interim Report**

This interim report presents findings from the qualitative data collection and an analysis of aggregate-level data on PRA activities and expenditures. The interim report addresses the following research questions:

- **What is the progress of states towards their PRA targets?** According to state plans, at least 2,270 PRAs were targeted. As of December 2005, states established a cumulative total of 1,822 PRAs.
- **What information do individuals receive about PRAs during orientation?** PRA orientations address three general topics --job search information, overview of the One-Stop services, and the PRA itself--but most sites do not cover all three. Most orientations focus exclusively on the PRA, with only a few sites conducting comprehensive orientations (which generally last for 1.5 - 2 hours).
- **What are the acceptance and bonus receipt rates?** The average PRA acceptance rate across the sites is 58 percent, but the range varies from 45 percent in one site to 80 percent in another. The average bonus receipt rate for becoming reemployed within thirteen weeks is 24 percent, but the rate is low because the analysis period is truncated. As a result, the bonus receipt rate is expected to be higher in the final analysis.
- **How are PRA funds generally used?** Bonus recipients generally restrict spending on services, presumably to maximize the amount of their bonus payment. However, when services are purchased, funds are spent more on supportive services rather than training or intensive services, because state guidelines on the use of funds were too expansive.

- **What are the successes of PRA implementation?** Sites accomplished a quick start-up for delivering PRAs to recipients. Sites also maintained a great deal of choice and flexibility in the use of PRA funds, and staff reported a high level of satisfaction among PRA recipients.

### Policy Implications

- **One-Stop Career Centers need to provide more effective reemployment services to UI claimants.** The Interim Report's analysis of orientations conducted at One-Stop Career Centers, highlights a critical disconnect between One-Stop Career Centers and the UI system. In many places, UI recipients are not systematically able to access immediate reemployment services. This suggests a need for reexamination of the One-Stop Career Center system's ability to provide immediate and effective reemployment services to UI claimants in order to speed their return to productive jobs.
- **Services delivered through One-Stop Career Centers need to be fully integrated.** The Interim Report indicates that services are not fully integrated in all locations. Services funded by the Workforce Investment Act, the Wagner-Peyser Act and other programs need to be better integrated at the state and local levels in order to reduce duplication of effort and maximize levels of effectiveness and efficiency.
- **A variety of supportive service providers should be accessible through One-Stop Career Centers.** A wide variety of funding sources for services such as transportation and child care exist in all communities. Too often, these resources are not easily accessible through the One-Stop Career Center, resulting in Employment and Training Administration funding being diverted for such services instead of being available for education and training.
- **Consistent policies are needed to enhance services to participants.** The Employment and Training Administration will be making adjustments to the demonstration to ensure sites are implementing consistent policies related to important issues such as the provision of supportive services.

The final report, to be completed in July 2007, will analyze individual-level data and state UI data to enrich our understanding of the use of and the outcomes associated with PRAs in each state. The final report will address remaining questions such as: What is the PRA acceptance rate and what contributes to the acceptance decision? What are the types of uses of PRA funds and the average level of per-recipient use? What are the patterns of UI receipt and the employment outcomes of PRA recipients?